Case Studies and FAQs

Case study

Case study

Case Study 1

Please note: This is an example for illustrative purposes

Background

Organisation: XXX
Contract Title: Provision of Scheduled Medical Equipment Maintenance
Contract Value: £450,000 over 3 years
Risk Level: Medium value / medium risk
Supplier: XXX

Contract Type: Framework call-off (from a national medical equipment servicing framework)
Contract Manager: Estates & Facilities Manager
Service Areas Affected: Radiology, Theatres, Outpatients, Community Care

The Health Board required a reliable supplier to provide maintenance and repair services for a range of diagnostic and treatment equipment. Downtime of equipment affects patient care, waiting times, and clinical risk—but the contract value and complexity place it in the **medium-risk** category.

Procurement and Contract Award

A mini-competition was run under the national framework, with award criteria based on:

- **Quality (60%)** – technical capability, response times, compliance with standards

- **Price (40%)** – fixed maintenance costs and capped repair rates

The winning supplier demonstrated strong technical competence and offered a transparent pricing structure.

A formal **handover meeting** took place between the procurement team and the contract manager. Key documents handed over included:

- Specification
- Tender response
- KPI schedule
- Contract management plan template
- Pricing schedule
- Risk register
- Escalation routes

Contract Management Structure - Roles & Responsibilities

Contract Manager (Health Board)

- Oversees delivery, performance, and compliance
- Analyses management information and KPIs
- Holds quarterly performance reviews
- Manages risks and escalations

Service User Leads (Radiology, Theatres, Outpatients)

- Log service requests
- Verify completion of repairs
- Provide user feedback
- Report issues promptly

Supplier Contract Lead

- Ensures compliance with service levels
- Provides monthly MI
- Attends quarterly review meetings

Procurement

- Provides commercial advice where needed
- Supports variations, disputes, and extensions

Contract Objectives

The contract aimed to:

1. Ensure **safe, compliant, and reliable medical equipment**.
2. Maintain **90% equipment availability** across all departments.
3. Achieve **response to urgent faults within 4 hours**.
4. Deliver **annual cost predictability**.
5. Reduce asset downtime by **20% in year 1**.

Performance Measures (KPIs)

KPI	Target	Measurement
Equipment availability	90%+	Supplier reports + spot checks
Urgent fault response	4 hours	Logged system timestamps
Routine maintenance completion	95% by due date	Maintenance schedule
Customer satisfaction	4/5 average	Quarterly survey
Compliance with HTM & MHRA standards	100%	Audit evidence

Contract and Supplier Management Activities

Mobilisation

The Health Board held a mobilisation meeting to:

- Confirm asset list (540 items)
- Agree reporting dashboards
- Finalise service desk process
- Introduce supplier to departmental leads
- Set expectations on behaviours, communication, and risk reporting

Monitoring and Reporting

Monthly reporting provided:

- Fault trends
- Average response/repair times
- Preventative maintenance completion
- Customer feedback
- Risks and issues
- Proposed improvement actions

Quarterly Review Meetings

Each quarter, the contract manager reviewed:

- KPI performance
- Customer satisfaction
- Costs and budget position
- Incidents and compliance issues
- Supplier innovations and improvement proposals

Minutes and action logs were maintained.

Issue and Risk Management

Issue Example:

In Month 5, Radiology experienced repeated delays in CT scanner repairs due to supplier staffing shortages.

Actions Taken:

1. Contract manager triggered **Level 1 escalation**.
2. Supplier provided a recovery plan including bringing an additional engineer on site two days per week.
3. Contract manager monitored weekly until service levels returned to normal.

4. KPI for urgent response time was temporarily amber but recovered by Month 7.

Risk Example:

Risk of delayed preventative maintenance affecting clinical availability.

Mitigation:

- Supplier must present a rolling 8-week forward maintenance schedule.
- Spot audits by departmental leads.

Continuous Improvement

The supplier proposed two improvements:

1. **QR-code asset tags** for faster fault logging.
2. **Predictive maintenance alerts** for high-use equipment (based on vibration monitoring).

The Health Board accepted both, resulting in:

- 15% reduction in routine repair callouts
- Improved user satisfaction from 3.8 to 4.4 out of 5

Outcome After Year 1

Objective	Outcome
90% equipment availability	Achieved 93%
4-hour urgent fault response	96% compliance
95% preventative maintenance completion	98% achieved
Customer satisfaction	Increased to 4.4/5
20% downtime reduction	17% achieved (slightly below target but improving)

Lessons Learned

- Early mobilisation and clarity of roles were essential.
- A shared performance dashboard increased transparency.
- A medium-risk contract still requires regular monitoring due to operational impact.
- Strong relationship management helped resolve issues quickly.
- Having realistic but challenging KPIs supported service improvement.

Conclusion

This case study demonstrates practical, proportionate, and effective contract and supplier management for a medium-value, medium-risk contract within the Scottish public sector. The combination of structured governance, consistent reporting, and collaborative problem-solving resulted in improved service performance and value for money.

Case study

Case study

Case Study 2

Please note: This is an example for illustrative purposes

Background

Organisation: XXX

Contract Title: Supply, Delivery & Maintenance of Communal Waste Containers
Contract Value: £320,000 over 4 years
Risk Level: Medium value / medium risk
Supplier: XXX
Contract Type: Open procurement – 60/40 Quality/Price
Contract Manager: Waste Services Operations Lead

Service Areas Affected: Waste & Recycling, Neighbourhood Services, Customer Services

The council required a reliable supplier to provide communal bins for housing estates and public spaces, as well as maintenance and replacement services. The contract's operational impact—public safety, waste service continuity, and community satisfaction—classified it as **medium-risk**.

Procurement and Award

The council evaluated suppliers on:

- **Quality (60%)** – durability of bins, maintenance programme, sustainability credentials, delivery capability
- **Price (40%)** – cost per bin, maintenance rates, optional extras

The supplier scored highest due to strong warranty terms and a sustainability-led manufacturing process.

A structured **contract handover** meeting was held to transition ownership from procurement to the waste services team.

Contract Governance Structure

Contract Manager (Council)

- Monitors Key Performance Indicator(KPI) performance
- Verifies volumes, delivery accuracy, and repair completion
- Holds quarterly meetings
- Manages risks and disputes

Service Supervisors

- Report issues to the supplier
- Confirm bin installations
- Perform random quality checks

Supplier Account Manager

- Provides monthly reporting
- Manages repair teams
- Attends governance meetings

Procurement (Council)

- Supports change control and variations
- Advises on commercial risks

Contract Objectives

1. Maintain **continuous availability** of communal bins in public areas.
2. Ensure **delivery of new bins within 10 working days** of order.
3. Achieve **repairs within 5 working days**.
4. Increase use of **recycled material**.
5. Reduce customer complaints around overflowing or damaged bins.

Performance Indicators

KPI	Target	Monitoring Method
Delivery times	95% within 10 days	Order tracking data
Repair completion	90% within 5 days	Work orders / reports
Quality of bins	<2% failure rate	Inspections / reports
Sustainability	30%+ recycled content	Annual certification
Customer complaints	Reduce by 15%	Reports

Contract and Supplier Management Activities

Mobilisation Phase

Initial mobilisation activities included:

- Validating site list and priority locations

- Agreeing design specifications for bins
- Establishing communication routes for reporting faults
- Supplier providing a **sample batch** for testing durability
- Setting up monthly delivery schedules

Ongoing Monitoring

The supplier provided a monthly performance dashboard showing:

- Number of bins ordered
- Delivery performance
- Repair orders and completion times
- Bin failure types (wheels, locks, lids)
- Customer complaint correlation
- Sustainability data

The council’s waste supervisors cross-checked deliveries weekly.

Quarterly Review Meetings

Topics covered:

- KPI scores
- Warranty claims
- Community feedback
- Performance issues (delivery delays in winter)
- Environmental performance

Minutes and corrective action plans were recorded.

Issue and Risk Management

Issue Example: Delivery Delays During Peak Period

In Month 7, several housing estates did not receive replacement bins on time due to supplier factory downtime.

Actions Taken

- Contract manager initiated **Level 2 escalation** under the contract.
- Supplier presented a recovery plan with temporary outsourcing for manufacturing.
- Council agreed to a temporary prioritisation of high-risk sites.
- Deliveries returned to target within two months.

Risk Example: Vandalism Leading to High Failure Rates

Mitigation Measures

- Installation of reinforced lids in three high-risk estates.
- Joint inspection with police community teams.
- Supplier provided training for council staff on early detection of stress damage.

Continuous Improvement

Two continuous improvement actions were delivered:

1. **“End-of-life bin recycling scheme.”**
   Supplier introduced a take-back scheme where old bins are collected and recycled with proof of recycled tonnage.
2. **Predictive maintenance programme.**

The supplier began analysing repair trends to preemptively replace wheel-sets.

These initiatives supported the council’s waste reduction and circular economy goals.

Outcomes After Year 1

Objective	Outcome
95% on-time delivery	Achieved 92% (slightly amber due to early delays)
Repairs within 5 days	Achieved 96%
Quality failure rate <2%	Achieved 1.4%
Sustainability target	38% recycled material achieved
Complaint reduction	12% decrease (on track but not yet met)

Overall, the contract was evaluated as **“Good – performing within expected parameters with minor improvements required.”**

Lessons Learned

- Regular site inspections helped identify recurring failure types.
- Early escalation prevented performance deterioration.
- Clear KPIs supported meaningful contractor conversations.
- Sustainability improvements created added value not originally specified.
- Seasonal risks (winter delays) must be built into future contracts.

Conclusion

This case study demonstrates practical, balanced, and proportionate supplier management within a Scottish local authority setting. Despite initial challenges, collaborative governance and structured performance monitoring enabled strong value for money and supported community outcomes.

FAQs

What is a medium to high value, medium to high risk contract?

Open or close

- **Value:** Typically £500,000 – £5m (can vary by sector and thresholds).
- **Risk:** Contracts where failure could impact service delivery, finances, or stakeholder trust
- Often includes **IT systems, social care provision or consultancy frameworks**.
- Involves complex supply chains or innovative/IT-heavy solutions.
- Is strategically important or politically sensitive.
- Risk factors include supplier dependency, complex delivery requirements, or political/operational sensitivity.

Why is contract and supplier management (CSM) important for medium to high-risk contracts?

Open or close

Lack of CSM can result in issues including:

- Service disruption
- Cost creep
- Delays
- Supplier insolvency
- Supplier underperformance
- Reputational or political damage
- Litigation and contractual disputes

Effective management ensures value for money, protects the public purse, and maintains service continuity.

Medium-high risk contracts often lack dedicated resources, so structured management is very important.

What Governance arrangements should be applied?

Open or close

- Assign a **Contract Owner / Manager** with clear authority and other roles and responsibilities
- Define **escalation routes** for issues, including risk or financial alerts.

Maintain **regular reporting** and audit-ready documentation.

What are typical contract and supplier management activities

Open or close

Typical requirements could include:

- Early **risk identification and mitigation plan**.
- Detailed **mobilisation plans**

- Early **risk workshops** and continuous risk management
- **Performance monitoring** (bi-weekly/monthly/quarterly depending on risk).
- Use **Key Performance Indicators (KPIs) or milestones** appropriate to contract scale with clear corrective action routes
- Schedule **regular review meetings** and document decisions
- Detailed **financial monitoring** of the supplier, including supplier solvency checks
- Formal **change control** processes
- Continuous **stakeholder communication**

How should risk be assessed and monitored?

Open or close

Using a structured approach, you may wish to:

- Maintain a **contract-specific risk register**
- Score **likelihood and impact** (financial, operational, reputational)
- Assign **risk owners** and track mitigation actions
- Review **risk quarterly** or more frequently for higher-risk areas

How do I ensure supplier performance is adequately monitored?

Open or close

You may wish to:

- Ensure **KPIs / milestones** must be clearly defined in the contract
- Conduct **quarterly progress reports** and financial checks
- Conduct regular **performance dashboards**
- Hold **formal review meetings** with agendas and minutes
- Maintain **communication logs** for decisions and clarifications
- Ensure **prompt action** if KPIs are not met

What should happen if a supplier is underperforming?

Open or close

Steps could include:

- Informally raise performance issues early
- Issue formal **Improvement Notices** or **Rectification Plans**
- Escalation to **steering group** for high-impact risks
- Consider **contractual remedies** or contingency plans
- Escalate to the **contract board/other governance arrangement** if no progress
- Prepare business continuity and exit strategies if risk escalates

How should supplier financial stability be monitored?

Open or close

- Review annual accounts and financial health checks
- Quarterly financial checks (or monthly for very high-risk contracts)
- Monitor for **cash-flow problems, litigation, or management changes**
- Monitor market news, mergers, legal disputes
- Consider **parent company guarantees** or insurance clauses
- Use **contingency plans** in case of supplier failure

How is value for money protected during the contract?

Open or close

- Strong **change control** to avoid scope creep
- Benchmarking and market comparison
- Auditing of supplier invoices and open-book accounts
- Performance-linked payments
- Ongoing contract review for efficiency opportunities

What happens if a supplier becomes insolvent?

Open or close

Organisations should have:

- Pre-established **continuity plans**
- Step-in provisions (where applicable)
- Access to source data, assets, or IP
- Backup suppliers / frameworks identified
- Communication plans for stakeholders and service users

How should change requests be handled?

Open or close

Through a formal process that includes:

- Written request
- Impact analysis (cost, time, risk)
- Approval by the contract board/other agreed governance structure
- All changes should be **documented** and **approved**
- Assess impact on **cost, timeline, and risk**
- Update KPIs and reporting requirements if necessary
- Ensure **formal record** is maintained for audit purposes

No change should occur without formal approval.

What documentation should be kept?

Open or close

- Contract and all schedules
- Change register
- Risk register
- Meeting minutes
- Performance logs
- Communication logs
- Payment records
- Supplier financial assessments
- Decision audit trail

This protects auditability and supports dispute resolution.